[Canadian wheat problem]

Mr. Alfred L. Johnson, a wheat farmer from Groton, South Dakota, has recently returned from a 1,200 mile trip through the wheat surplus area of Canada. In the following story he gives his impressions of the Canadian wheat problem.

By ALFRED L. JOHNSON

"Al, they've got so much wheat in Canada they're piling it on the ground," exclaimed my neighbor who had just returned from a trip through Saskatchewan.

"Got no place else to put it," he said. "Their elevators are full and they're building annexes. Farmers who can afford it are putting up new bins in their fields. What's left is just piled on the ground -- thousands of bushels of it."

I had heard about Canada's wheat surplus but I hadn't given it much thought until Jake told me what he'd seen on his trip. He said the situation up there reminded him of the fix we were in back here in 1932.

He pictured a gloomy outlook for our neighbor wheat farmers to the north, but the story had a familiar ring. Briefly, it was this:

With the largest wheat acreage and one of the largest crops in history, and with no export market at any price, Canadian wheat has finally backed up on farms, just as it did in this country in 1932, until in the heavy producing areas thousands of bushels are piled on the ground for lack of storage space.

"Anything being done about it?" I inquired.

"Yes, there is. The Wheat Board has kept the price from going on the rocks with a fixed minimum price of 70 cents a bushel at Fort Williams, Ontario. This gives Saskatchewan growers about 52 cents a bushel after freight and handling charges are deducted, depending upon their distance from Fort William."

I remarked that 52 cents a bushel didn't compare very well with the 78 cent loan we get for high protein wheat under the farm program, but a farmer could live on it.

"That's true," said my friend, "if you can sell it. The trouble is they can't sell it -- even at 52 cents."

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He explained that when the 1940 harvest began, terminal and country warehouses already were two-thirds full of carryover wheat. Soon this space was filled. Then it became necessary to limit marketings to the amount of storage available. The first general marketing limit was 5 bushels per planted acre. So at harvest time, Saskatchewan growers were able to collect $2.60 an acre.

"Next time you get riled up about our wheat control program," my friend suggested, "take a drive across the line where they grow all they want."

That sounded like good advice. With three friends I headed for the border about the middle of September to have a look for myself.

We entered Canada from the little town of Portal in the northwestern corner of North Dakota. One of the first things that caught our attention at the border was a large sign reading, "Welcome United States Visitors." We later found them along all major highways and in all of the cities.

We soon discovered that the sign meant just what it said. The customs officers, whose business it is to be particular about the people entering a country at war, were exceptionally friendly and helpful. Everywhere we found a sincere and friendly welcome.

We traveled a little more than 1,200 miles through Canada in less than five days. Our route from the border took us straight northwest to Regina, the provincial capital of Saskatchewan and the home of the Northwest Mounted Police. From there we drove west through Moose Jaw, Swift Current, and north to Rosetown, within 100 miles of Alberta. Then back to Regina by another route, on southwest to Winnipeg, capital of Manitoba, and down the Red River valley into the United States.

Western Canada is one vast wheat field from the Red River to the Rockies, and from the border north beyond Saskatoon. Nearly all of the wheat of Canada is grown in the three prairie provinces of Manitoba, Alberta and Saskatchewan. The level prairies reach out for mile upon mile, broken here and there by streams. The land follows an unbroken pattern of wheat, summer fallow, and more wheat. Now and then there is a field of flax and oats, but mostly just wheat -- a vast acreage still too young to have suffered from the exhausting effects of continuous cultivation.

In scattered fields enroute from the border to Regina we observed wheat piled in the stubble fields. But not until we traveled toward the high yielding area of western Saskatchewan did the piles grow larger and more frequent.

Over a large area around Rosetown, in the heart of one heavy producing section, large piles of unprotected wheat, partly constructed bins filled to the brim with grain, and overflowing old bins dotted the prairie stubble.

The combines were still running. Yields ran as high as 50 bushels to the acre on land that received less than 10 inches of rain in a year. The soil was loose and dry -- you could stick your arm into some of the cracks in the ground. All of the wheat was No. 1 dark northern. Literally thousands of bushels were on the ground.

Some of the wheat was heaped in large piles, in the stubble fields and in the farm yards. Some of it was enclosed with snow fence and heavy paper to prevent it from spreading. Crude bins hastily constructed from old lumber were piled high with wheat and open at the top. One large pile containing 12,000 bushels was enclosed with hog wire and oats sheaves, and was being covered with oats bundles.

Yields ran as high as 50 bushels an acre in this section, although we were told that crop failure had cut yields to 5 bushels or less in some areas. By the time we arrived the wheat marketing limit had been raised from 5 to 8 bushels per seeded acre after much of the feed grains in storage had been provided the marketing limit had been raised as high as 10 and 15 bushels an acre.

Farmers were delivering their additional three bushels as we drove into the Saskatchewan river valley south of Rosetown. But the new marketings scarcely dented the surplus on farms in this section.

We got the impression from talking with farmers they were pinched hard for money and credit was scarce, and business was suffering from the drying up of buying power.

Representative of the farmers in this situation was Andrew Reed, south of Rosetown, who migrated from Minnesota in 1905 to homestead Canadian land. After his crop was harvested and his marketing quota filled, Mr. Reed and his grandson still had 23,000 bushels of wheat left on their farm. Only 5,000 bushels of this was covered.

"What do you figure you'll have left after you've paid expenses out of your eight bushel quota?" I asked.

"Around $500 when expenses and taxes are paid," he said.

In the family were five adults, and I asked him if $500 would be enough to see him through the year.

"It'll have to be enough unless we can get rid of some more of this wheat," his grandson spoke up. "We can make out this year by watching close, but what worries me is how we're going to finance next year's crop."

"And what we're going to do with another crop when we get it," Mr. Reed added.

Oliver Bryngleson and his son, Ernest, operate 1,600 acres -- 1,400 of it in wheat -- near Elkrose. With some fields producing as much as 50 bushels an acre, the Brynglesons had 23,000 bushels of wheat left on the farm. Fifteen thousand bushels were on the ground, although part of it was moving to the elevator under the quota increase.

R. W. Sansom, who operates three sections of land near Calimis, had 30,000 bushels of wheat on his place, most of it uncovered. One large pile in his farmyard contained 12,000 bushels. Six thousand bushels more were piled in emergency, open bins.

We found Andrew Thompson out in a field where two caterpillar tractors were pulling combines in 40 bushel wheat. Mr. Thompson went to Canada from North Dakota in the early nineteen hundreds. He and his sons operate 2,300 acres next to the Brynglesons. This year's bumper crop had overflowed all of his old bins, he had constructed two new bins, one containing 35,000 bushels, and he had two large piles of wheat on the ground.

"What are you going to do with all of this wheat?" I asked him.

"I'm going to keep it right here on the farm like you folks down in your country," he said. "I guess that's all I can do, anyhow. Some folks say we'll be able to move it next spring, but I don't see how the way things are just now."

Mr. Thompson said that he was in a position to hold his wheat over for another year by pinching a little, but "it's the little fellow who's going to have a tough time."

"You see," he added, "we get around $4 an acre under the new marketing quota of 8 bushels. We can't sell any more than that because nobody but the wheat board is buying wheat and it buys only from the producer. Taxes take about 50 cents out of our $4 an acre. That leaves around $3.50 an acre to pay expenses out of and to live on until we harvest the next crop."

I asked him if he couldn't get a loan on his wheat.

"You can't get money at the banks," he said. "There's been some talk about the government advancing part of the money on the rest of this year's crop, but so far as I know nothing's been done. If we get an advance it will help things a lot."

The farmers with whom we talked were not bitterly complaining, for every effort was bent toward winning the war. We left the region feeling that through the years of expanding production these farmers had been shielded from a full realization of the world wheat situation because up to now it had produced no visible effect upon their own farms. But now the lesson of expanding acreage in the face of a declining export market finally had struck home with full force, with the impact of the war in Europe, much as it did on my own farm in 1932.

The man on the street in the cities was well informed on the wheat situation, for in western Canada wheat dictates the prosperity of all business, farming or otherwise. But the city people with whom we talked appeared to be optimistic about it. They seemed to feel that the answer to the wheat problem would be found come spring.

Enroute home we stopped in Winnipeg to talk with W. A. MacLeod of the Canadian Wheat Pool. For a good many years Mr. MacLeod has advocated the adjustment of wheat production to market needs so as to prevent the piling up of the Canadian surplus.

"Our biggest problem is not what we're going to do this year," he said. "We're worrying about next year. We had a 300 million bushel carry-over when the new crop came on. We're harvesting a crop of 561 million bushels. That gives us a total supply of 861 million bushels, and we frankly don't know what we're going to do with all of it."

"Of course, you'll export some of that," I suggested.

"Well, take a look at our exports. Great Britain has already purchased 160 million bushels for future delivery, but it's still in this country. With luck we might sell another 15 million bushels, making a total of 175 million.

"Of course you know that our trouble with wheat didn't start when Hitler went on the rampage. It goes back much farther than that. Our trouble started back in 1928 when Italy announced she was going on a self-sufficient basis. Our wheat problem has been growing ever since with the rise of nationalism in Europe.

"Today our market in continental Europe is gone, and we can't expect to get it back until we beat Hitler. Great Britain normally imports 220 to 230 million bushels. But last year she plowed up 2 million acres of grassland. Some of this went into wheat, and she won't import as much this year as a result."

I asked Mr. MacLeod about Canadian consumption of wheat. He said normally Canada uses 115 to 150 million bushels at home for food, seed and milling purposes. This year he said domestic consumption is estimated at from 120 to 130 million bushels.

"Suppose we do sell as much as 175 million bushels, and suppose we do use as much as 130 million bushels at home?" he said. "That's only a little more than 300 million bushels. Whether we like it or not it looks now as though we'd have nearly all of this year's crop on hand when the next crop comes on. That means we'll have a lot of wheat on farms at the next harvest."

He said Canada has storage space in terminal and country warehouses for only 424,289,570 bushels. Ten per cent of that capacity is needed for working space, leaving around 380 million bushels storage except on farms.

"We don't know the answer unless it's a program similar to the one you have in the United States," Mr. MacLeod said. "I've made a good many trips across the line, and I've seen what you fellows are doing over there.

"One reason I like your program so much is because your program is linked with the soil. It's conserving the soil as well as conserving the people. Some day future generations are going to need that food stored in the soil.

"God bless the Triple A," he said, "I wish we had something like that here."

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